

From: "Robert Drake" <robertd@somobank.com> on 01/28/2004 12:11:02 PM
Subject: Equal Credit Opportunity

January 28, 2004

Ms. Jennifer J. Johnson
Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, N.W.
Washington, D.C. 20551

Re: Federal Reserve Proposal: New Clear and Conspicuous Requirements for Disclosures in Regulations B, E, M, Z, and DD

Dear Ms. Johnson,

On behalf of Southern Missouri Bank of Marshfield, I would like to register our opposition to the changes of the above identified regulations. I believe the proposed changes, if adopted, will have a significant adverse and costly effect on banks; the proposals will impose a huge compliance burden on banks, promote lawsuits and potential liability for good faith compliance, and lengthen disclosures. However, the Board does not offer any evidence that the current disclosures are not satisfactory. And the price of "consistency" will be very expensive for banks.

I believe the proposed requirements are unclear and the subjectivity of the proposal will invite expensive lawsuits, as well as, second-guessing by examiners. In addition, the proposals will impose an expensive regulatory burden.

Also, the revised disclosures may be less helpful to consumers. Because the requirements will lengthen the disclosures, in some cases, by pages, consumers will be less inclined to review them. In addition, we generally include additional information that is useful to consumers, especially on the back of checking account and credit card account statements. We might have to omit this useful information or pay for the additional paper. In addition, some of the related required disclosures may end up segregated.

While we generally appreciate consistency among regulations to make compliance easier, it is not justified or workable in this case.

Sincerely,

Robert S. Drake, III
Compliance/Loan Review Officer